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E to ER 1-4601

C O P Y

THE WHITE HOUSE
WASHINGTON

NSC Declassification/Release Instructions on File

DEC 28 1950

My dear Mr. Secretary:

Recent developments in the international situation require that the United States review and adjust certain of its policies and programs with respect to its international economic activities. It is necessary that we now take such measures as are feasible to prevent the flow to countries supporting Communist imperialist aggression of those materials, goods, funds and services which would serve materially to aid their ability to carry on such aggression. We must enlist the cooperation and support of other nations in carrying out those measures; and in securing such support we must stand ready to take such steps as may be necessary to minimize the economic dependency of cooperating nations upon Communist imperialist countries. Such objectives must necessarily be achieved without materially impairing our collateral aim of increasing the flow, and assuring the sound allocation, of strategic and critical materials to the free countries of the world.

It is my desire that to the extent that legislation, organization and funds permit and subject to your advice and concurrence with respect to foreign policy objectives, all appropriate programs of the Government now be adjusted and hereafter administered in the light of the above determinations. I desire that you keep me currently informed of the actions taken by the various agencies involved in support of these objectives.

Further, I request that you take the lead in developing recommendations, for submission to me within the next 30 days, of additional measures to achieve these purposes. The development of recommendations will require an analysis to be undertaken by the Economic Cooperation Administration, with such assistance from other agencies as it may request, of the economy and trade of Communist imperialist aggressors as well as the economy and trade of countries trading with them and the development of specific programs for the adjustment of those trade patterns.

I am having copies of this letter transmitted to the Secretaries of Defense, Treasury, Agriculture, Commerce and Interior, to the Economic Cooperation Administrator, and to the Director of Central Intelligence with the request that they undertake such studies and analyses and participate in the development of recommendations as you may require.

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I am also sending copies of this letter to Mr. Harriman and to the Director of the Bureau of the Budget with the request that they work closely with you in the development of the recommendations, the latter especially on those which have organizational and budgetary implications.

Sincerely yours,

(Signed) HARRY S. TRUMAN

The Honorable

The Secretary of State

CC for Director of Central Intelligence Agency

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